MERCHANDISER

Supermarkets, discount units make inroads in sunglasses

Continued from page 33

A number of drug chains are likely to compete more aggressively this year using strategies that include increased advertising and heavy discounting.

"Consumers are ready for price point sunglasses," says Bill Baxley, vp, marketing at Kerr Drugs, based in Raleigh, N.C. "For the average consumer, it's not the name on the glasses, it's the look and the price."

Baxley became convinced last year when the chain tested a limited assortment of no-name sunglasses at price points ranging from $2.99 to $5.99. The low-end glasses showed the biggest sales increases in the category.

In addition to price, most drug retailers consider service to be one of the most important elements in a sunglass program.

"You are just as strong as the people you have calling on you," notes a buyer for the Deerfield, Ill.-based Walgreens.

"The biggest fear among

many retailers is that the vendor is just going to load them up with product that isn't going to sell," said a buyer for a large southern-based drug chain.

Some chains such as Perry Drug Stores, based in Pontiac, Mich., have tried to solve service problems by going the direct import route. According to Dave Peterson, Perry's assistant vp of merchandising, the chain opted for a direct import program because it wanted to take advantage of the higher margins and to obtain tighter control over the sunglasses department, but primarily because the chain was unhappy with the service end of the supplier business.

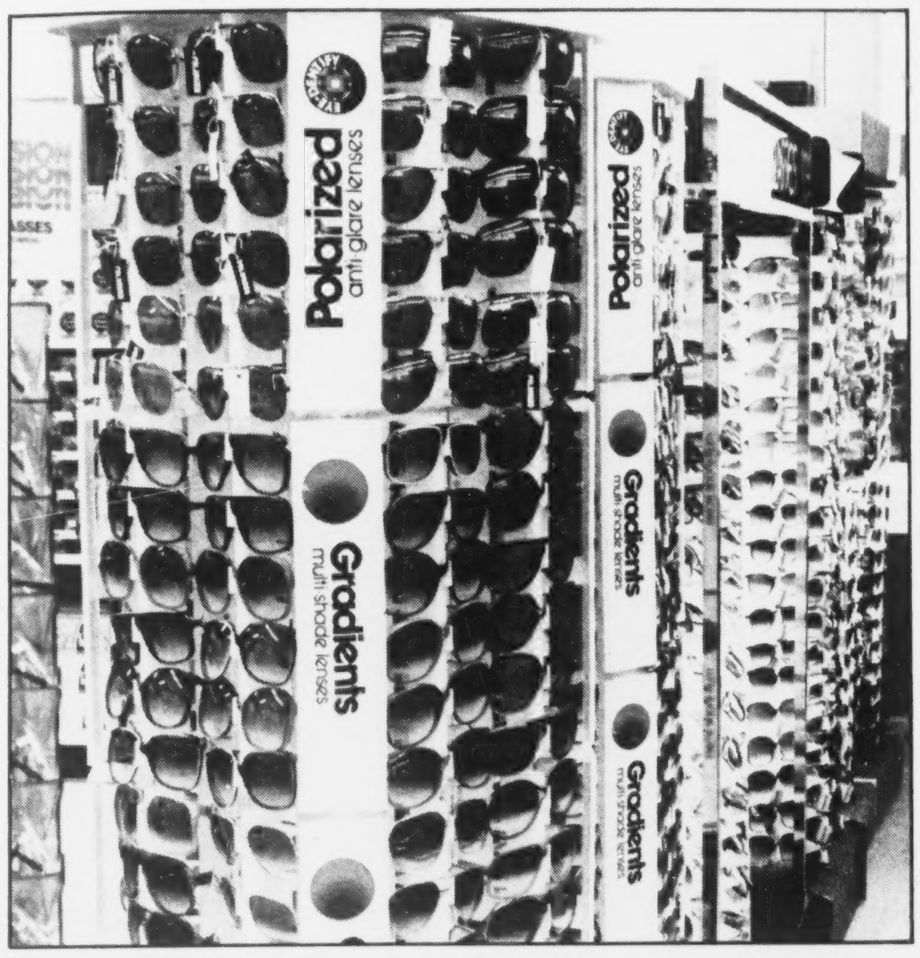
But there are risks inherent in a direct import program and retailers are well aware of them. Sunglasses have long been considered a fashion item, and consumers are fickle when it comes to fashion. What's in one year can just as easily be out the next.

A direct import program can also present maintenance problems at the store level. Traditionally, the sunglasses category has been one department in which store personnel have generally had little involvement. Before a direct import program can be successful a chain must get its store personnel to actively service the department, many retailers point out.

For the most part retailers say they are satisfied with the attempts made by many suppliers to improve their overall programs.

"They [the suppliers] are spending more time and effort servicing the stores," notes Tom Rosenthal, vp and merchandise manager at Standard Drug in Richmond, Va. Rosenthal said that Standard went back to a service program after warehousing sunglasses because of problems in getting employees to learn the business.

The improved service programs may also be the reason that fewer chains are changing suppliers. While there is still a tendency to go with different manufacturers to clean out old stock, a number of buyers said that they are staying with their current suppliers longer than they were a few years ago. In addition to improvements in service programs, buyers say they are more confident dealing with a company that they have been working with for a few years.



With margins that can range from 40% to 60%, sunglasses have been a valued item among drug retailers, but lately chains have been feeling the pressure from supermarkets and discount stores.

The Moisture Mac in a dried-

The Moisture Machine by L'Aimee Laboratories. 1984's hottest personal care product. A revolutionary moisturizing system that's proven incredibly successful in major test markets.

The Moisture Machine attaches to any standard showerhead in minutes. It applies two lotions through the shower when your pores are open and most receptive. First, a cleanser removes every trace of soap from your body. Then, a specially-formulated, non-oily, aloe-enriched moisturizer soothes and softens every inch of your skin.

Softening up a $100,000,000 market.

The potential market for The Moisture Machine is huge. Syndicated research shows that 91% of all women and 51% of all men, 117 million people, use some sort of moisturizing product.

In our concept tests, over 65% of the people exposed to the product said they would probably or definitely buy it. Projected annual national sales topped $100,000,000.

The Moisture Machine has proven enormously successful in New York, Cleveland, Miami, and Washington, D.C. during the Christmas season. Most accounts had to reorder frequently to keep up with the demand. And reorders continue to increase in the post-Christmas season, proving year-round demand for the product.

Everytime your customers shower, you clean up.

If the potential market for The Moisture Machine is huge, so is your profit potential. We offer exceptionally large profit margins to all our retailers.

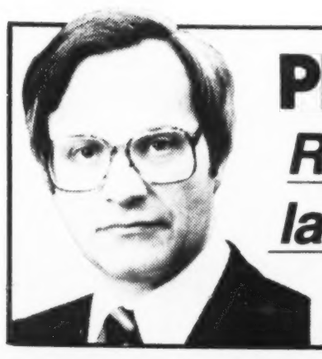
And Moisture Machine profits don't stop with sales of the unit itself. Each machine you sell guarantees you

It really **works!** Money-back guarantee direct to your customers.

HERPECIN-L®

Cold Sore Lip Balm. *"It Works!"*

Write: CAMPBELL LABORATORIES, INC. P.O. Box 812-A, FDR, NY, NY 10150



PHARMACY
Rutgers' Colaizzi launches new column—p. 67

MERCHANDISER
Chains stick to basics in toys—p. 11

DRUG STORE NEWS®

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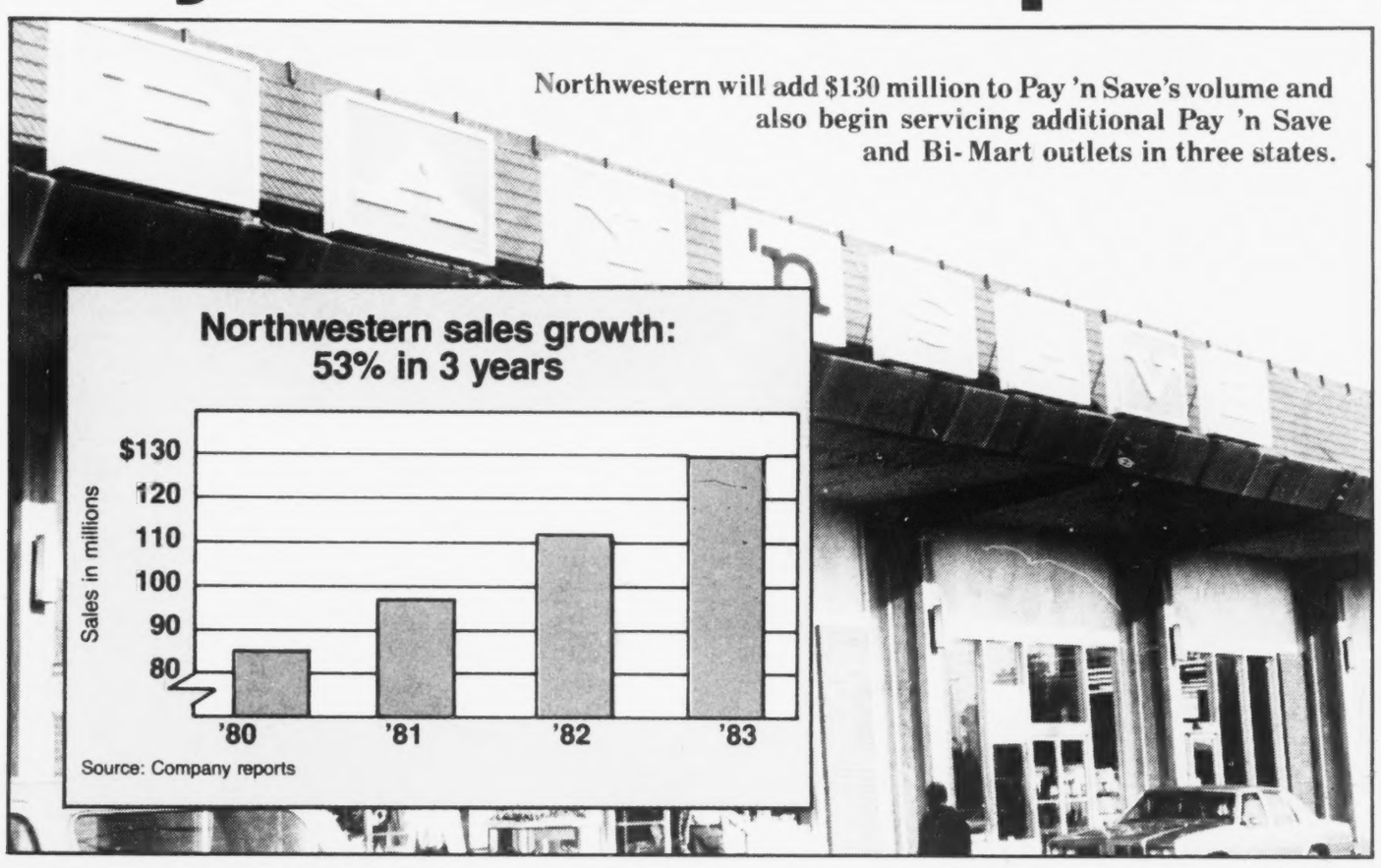
Pay 'n Save acquires Northwestern



Christy to replace Eads as prez

By Lou Karney

SEATTLE—Pay 'n Save, the industry's 13th largest drug chain, has just acquired Northwestern Drug, the largest drug wholesaler in the state of Washington.

Industry sources say that it is the first time that a major drug wholesaler has been purchased by a chain drug retailer. Pay 'n Save, which will operate Northwestern as a wholly owned subsidiary, paid between $3 million and $4 million to acquire the company. Last year Northwestern's sales totaled $130 million, up 30% from 1982.

Joe Christy, Pay 'n Save's vp/administration, will replace Ken Eads as president of Northwestern. Eads, who also owned Northwestern, will lease to Pay 'n Save a 258,000-sq.-ft. distribution center which he still owns. The lease is effective for the next 25 years.

Before the acquisition, Northwestern had supplied 22 Pay 'n Save drug stores plus five Bi-Mart's, Pay 'n Save's discount drug stores. Now that the acquisition is completed, Northwestern will begin servicing a total of 64 Pay 'n Save stores located in Washington and Idaho, plus all 32 Bi-Marts in Washington and Oregon.

Other Pay 'n Save operations based in California, Alaska and Hawaii will continue to be served by their local wholesalers because they are outside Northwestern's current distribution range.

Cal Hendricks, vice chairman of Pay 'n Save, said that the acquisition will give the Pay 'n Save store "more depth in lines and better in-stock conditions."

Eventually, said Hendricks, management will begin buying and distributing general hardware lines through Northwest-

Continued on page 85

Eckerd buys 11 Sav-On units

CLEARWATER, Fla.—The Jack Eckerd Corp. has increased its penetration of its Texas and Louisiana markets with the acquisition of 11 Sav-On and Osco drug stores from Jewel Companies.

The terms of the transaction were not disclosed.

Eight of the stores, which average 14,000 to 16,000 sq. ft. in size, are scattered around eastern Texas in smaller to medium-sized cities. In store count, Texas is second only to Florida among the 15 states in which Eckerd operates.

Two of the remaining stores are in Louisiana and one is in Lawton, Okla., close to Texas' northern border and about three hours from Eckerd's Dallas division distribution center in Garland, Tex.

Jewel's decision to sell the stores was based on the fact that they were too far away from the cluster of 11 Sav-On outlets in Houston, which Sav-On plans to retain. Ten of those units are superdrug stores and one a drug/home center combo.

"There was no network," said

Continued on page 86

Albertson's launches major drive on Dallas

DALLAS—Seven years after the breakup of the Skaggs-Albertson's combos, Albertson's will re-enter Dallas when construction begins on four 62,000-sq.-ft. food/drug combos later this spring.

It will mark the first time that the two retailers will operate in Dallas since Skaggs and Albertson's parted company in 1977 and Skaggs took full control of the combos there.

According to Robert Bolinder, Albertson's vice chairman and chief financial and administrative officer, the $3.9 billion-a-year food and drug retailers will open 12 food/drug combos over the next two years in Dallas and Fort Worth.

The Boise, Idaho-based chain has broken ground on two sites in the Plano and Richardson communities of northern

Continued on page 85

Late News

BASED ON THE TWO-YEAR SUCCESS of their joint spring show, Associated Chain Drug Stores and Affiliated Drug Stores will combine their fall show at the Omni Park Central Hotel (formerly the New York Sheraton). The new dates are Sept. 10, 11 and 12. The two New York-based buying groups may also add another floor of merchandise displays to their expanded show, which will feature H&BA, fragrances and general merchandise.

Index

Classified	84
Cosmetically speaking	43
Financial	6
Merchandiser	11
Merchandiser news	82, 83
Pharmacy	57
Pharmacy product update	78, 81

CONTINUING EDUCATION PROGRAM

Major new drugs and indications summary—pp. 59-66.

Peoples to upgrade mid-Atlantic distribution

ALEXANDRIA, Va.—Peoples Drug Stores will break ground next month for a new $20 million, state-of-the-art distribution center in Fredericksburg, Va., Sheldon W. Fantle, president and ceo, told shareholders at the chain's annual meeting last month.

The new 500,000-sq.-ft. facility, which is scheduled for completion by mid-1985, will replace three distribution centers, one in Alexandria and two in Richmond, Va.

When it is fully operational, the center will service the mid-Atlantic region, which the chain projects will expand from its current 370-plus stores to as many as 500 by 1990.

Peoples is now doing a feasi-

Continued on page 85

Revco's Odd-Lot stores, such as this one in Oakland Park, Fla., provide substantially higher gross margins than other types of off-price retailing outlets.

"There will be a larger attack on the off-price retailing market niche."
Sidney Dworkin
President and ceo

Revco expands Odd-Lot, deep discount plans

NEW YORK—Revco, which has diversified into off-price retailing through a joint venture with Odd-Lot Trading and into deep drug discounting with an experiment called Get It For Less, is about to extend its commitment on both fronts.

President and ceo Sid Dworkin recently told a gathering of New York retail analysts that the Twinsburg, Ohio based chain will definitely open at least one and possibly two more Get It For Less stores later this year while simultaneously rolling out at least 25 more Odd-Lots.

Continued on page 85

FINANCIAL

Gain 25% in 3rd qtr.

McKesson profits rise

SAN FRANCISCO—The McKesson Corp. reported that net income for the third quarter ended Dec. 31 increased 25% to $22.3 million from $17.9 million in the corresponding year-earlier period. The results include the net gain from operations being discounted, including C. F. Mueller Co., which was sold in December.

Earnings per share rose 18% to $1.13 from 96¢.

Sales for the quarter, which also included results from operations being continued, increased to $1.1 billion from $1 billion, a 13% gain.

Revenues from the Drug & Health Group were up 16% for the quarter, according to McKesson, but operating profit fell 8% as a result of "margin pressures."

The company said McKesson Drug results were affected by "increased competition in some markets, the shift of a major drug chain customer from retail store deliveries to less profitable warehouse deliveries and smaller price increases in pharmaceutical and H&BA products."

For the first nine months of the fiscal year, net income increased 33% to $54.8 million from $41.3 million, while earnings per share rose 23% to $2.81 from $2.28.

Increased earnings

Revenues for the period gained 11% to $3.2 billion from $2.9 billion in the same year-earlier quarter.

In addition to C. F. Mueller, the company has announced plans to divest a number of other operations as part of its strategy to focus on Value-Added Distribution and selected proprietary products.

Pneumo '83 net gains 51%

BOSTON—Helped by a strong performance from its food/drug group, which includes Carls Drug, Pneumo Corp. posted a 51% increase in net earnings for the year ended Nov. 30, 1983.

Net profits for the company rose to $35.7 million, or $2.53 a share, from $23.6 million, or $1.69 a share, the previous year. Pneumo reported that the increase "resulted from higher sales, improved operating efficiences and increased interest income." Earnings per share were restated to reflect a 2-for-1 stock split in May 1983.

Sales for the year climbed 6% to $1.2 billion from $1.1 billion in fiscal 1982.

According to Gerard A. Fulham, chairman and ceo, the food/drug group, which also includes P&C Food Markets, Syracuse, N.Y., realized an 18% increase in operating profit and a 7% advance in sales.

While Pneumo's Aerospace/Industrial Group accounted for only 27% of corporate sales, it contributed 74% of operating profits.

"We are very pleased with Pneumo's performance in 1983, a period of many economic uncertainties," Fulham said. "Fiscal 1983 was the most productive year in the history of the company and a period in which the soundness of our business strategy was again confirmed."

According to Pneumo, return on average stockholders' equity increased to 25% from 22% in 1982, and stockholders' equity rose by 65% to a record level of $178.5 million.

In the fourth quarter, earnings rose 53% to $10.8 million from $7.1 million in the comparable 1982 period. Earnings per share were 74¢ compared to 52¢. Sales for the period increased to $322.8 million from $294.8 million.

In addition to operating Carls Drug, Rome, N.Y., and P&C, Pneumo designs and manufactures landing gear and flight controls for commercial and military aircraft.

Medicare-Glaser earnings up 19%

ST. LOUIS—Medicare-Glaser, the St. Louis-based retailer that went public last year, posted a 19% gain in net earnings for the third quarter ended Dec. 31, 1983. Net profits increased to $588,027, or 23¢ a share, from $494,165, or 21¢ a share, in the comparable year-earlier period. Sales for the quarter rose 3% to $20.6 million.

For the first nine months of the fiscal year, net earnings increased 11.8% to $989,555, or 40¢ a share, from $884,686 or 37¢ a share

Chain drug store stocks in broad decline

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION					
		1/13/84—1/30/84							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change		5-Year Annual Growth Rate	Profit Margin		Indicated Dvd. Rate		Last X-Dvd. Date	Last Fiscal Year		Current Ratio	Last Fiscal Year (Per Share)		Last Balance Sheet Date
					Change		52-Week						Last Fiscal Year														
Name	Symbol	High	Low	Close	Amt.	Pct	High	Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days		Amt.	Pct.			Latest P/E Ratio	Amt.	Yield		Revenue	Earnings		Long Term Debt	Common Stock Equity	
—	—	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	—	$	%	—	$ Mil.	$ Mil.	—	$	$	—
Chain Store transactions																											
Adams Drug	ADG	17.75	14.00	14.00	-3.75	-21.13	24.88	8.63	-.86	-4.20	.88	49.84	1.12	.39 N	42.8	17.0	1.6	10.8	.04	.3	12-09-83	286.2	4.6	2.8	8.00	9.74	1282
Am Stores	ASC	38.38	30.75	31.25	-7.00	-18.30	44.00	21.19	-.65	-2.43	5.78	13.00	2.69	.87 N	35.2	44.0	1.2	9.4	.48	1.5	12-09-83	7507.8	90.4	1.4	11.95	12.14	0183
Begley Drug	BGLY	16.50	16.50	16.50	.00	.00	24.00	9.50	-.18	.35	-3.92	50.00	1.47	1.27 S	NC	-12.0	1.4	13.0	.68	4.1	01-16-84	56.8	.8	1.8	11.50	17.52	0383
Big B	BIGB	12.75	11.38	11.38	-1.13	-9.00	14.50	7.25	-.48	-.74	-2.57	-13.24	.39	.12 N	34.2	25.0	2.9	24.2	.00	.0	09-21-83	87.4	2.5	2.5	.21	3.36	1282
Dart Drug Corp	DRUGA	65.00	64.00	65.00	-1.00	-1.52	148.00	31.00	.17	.67	-3.59	-18.17	5.43	6.32 N	207.2	67.0	3.1	6.9	.13	.2	12-06-83	291.8	9.1	2.0	12.01	28.91	0183
Drug Sys	DRGS	7.25	6.50	6.50	-1.00	-13.33	9.31	6.00	.03	-1.71	-5.19	22.27	.55	.58 S	NC	NC	2.6	11.2	.00	.0	01-25-84	26.7	.7	2.8	2.40	3.12	0383
Eckerd. Jack	ECK	27.00	25.50	25.63	-.13	-.49	34.88	23.63	-.28	-.73	-.47	20.75	1.91	.16 Q	8.8	4.0	3.1	13.1	.96	3.7	11-03-83	2325.0	71.7	2.0	.30	15.17	0783
Fay's Drug	FAY	12.75	10.88	11.00	-1.50	-12.00	14.50	6.69	-.66	-1.72	2.70	27.57	.48	.13 N	31.7	32.0	2.0	20.4	.14	1.3	12-23-83	270.3	5.5	2.0	2.17	2.23	0183
Genovese Drug	GDX	16.00	14.00	14.00	-2.00	-12.50	20.50	6.09	-1.02	-.18	1.34	7.95	.67	.26 N	45.6	32.0	1.6	16.9	.20	1.4	12-28-83	158.7	2.6	1.7	1.90	4.95	0183
Hook Drugs	HOOK	28.75	27.00	27.50	-1.25	-4.35	29.75	16.19	-.33	.64	-.67	11.94	1.52	.73 N	55.7	10.0	2.3	13.5	1.00	3.6	01-09-84	285.2	6.6	1.7	2.86	9.37	1282
Longs Drg Strs	LDG	48.38	46.13	47.38	-.38	-.79	50.13	37.50	-.06	.36	-1.10	18.17	2.92	.46 N	16.3	10.0	2.8	14.4	1.12	2.4	11-22-83	1123.2	30.9	1.8	.00	18.76	0183
Pay N Save	PAYN	23.88	20.00	20.00	-4.00	-16.67	28.75	16.81	-.67	-3.30	4.28	18.57	1.52	.89 N	69.5	4.0	1.6	9.2	.56	2.8	11-17-83	1043.2	16.8	2.3	17.01	14.32	0183
Pay Less NW	PAY	17.38	16.00	16.50	-.63	-3.65	20.19	13.19	-.38	.27	.86	3.16	1.07	.21 N	21.2	.0	2.5	13.8	.27	1.6	03-19-84	784.7	19.4	2.0	5.26	6.07	0183
Peoples Drug	PDG	25.25	23.75	24.13	-.88	-3.50	31.75	18.19	-.15	.56	-4.76	6.67	1.79	.40 F	28.7	23.0	1.7	13.5	.28	1.2	11-18-83	791.1	13.7	1.8	4.92	11.56	0983
Perry Drug	PDS	18.50	17.25	17.25	-.88	-4.83	22.38	9.16	-.12	-.29	1.72	-20.75	1.02	.29 F	39.7	7.0	1.6	16.9	.24	1.4	12-21-83	285.5	4.5	1.9	6.04	6.50	1082
Revco Drug	RDS	36.75	31.38	32.63	-3.63	-10.00	37.50	25.09	-.18	.33	-.27	-6.73	2.13	.53 S	29.9	24.0	3.7	14.2	.68	2.1	11-18-83	1792.8	56.5	2.5	1.33	11.59	0583
Rite Aid Corp	RAD	19.81	18.00	18.50	-1.38	-6.92	23.44	15.63	-.51	.38	.67	13.16	1.19	.61 N	83.5	26.0	3.9	13.8	.64	3.5	10-11-83	1294.7	49.9	1.7	.59	6.19	0283
Thrifty Cp	TFD	17.13	14.75	14.88	-2.25	-13.14	25.25	9.94	-1.04	-1.35	4.07	-20.58	1.13	.21 F	22.8	18.0	1.9	13.2	.46	3.1	11-03-83	1187.8	22.5	1.5	5.39	6.83	0883
Walgreen Co	WAG	38.38	35.25	35.25	-2.50	-6.62	40.38	26.50	-.25	-1.28	2.45	-.81	2.24	.46 Q	24.4	34.0	2.9	15.1	.72	2.0	02-10-84	2360.6	69.0	1.6	1.76	11.47	0883
Wholesaler's transactions																											
Bergen Brunswig	BBCA	27.63	23.00	24.00	-3.25	-11.93	39.50	23.00	.01	-1.16	-3.85	58.06	1.60	.24 Q	17.0	40.0	1.4	14.5	.32	1.3	01-26-84	1452.0	20.0	1.6	1.22	9.99	0883
McKesson Cp	MCK	41.88	40.50	40.88	-.88	-2.10	51.00	37.50	.16	.06	-1.56	45.48	3.44	-.09 S	-2.5	5.0	1.6	11.8	2.40	5.9	11-25-83	4053.7	63.2	1.6	15.78	29.70	0383
Foxmeyer Cp	FOXM	25.75	25.00	25.00	-1.00	-3.85	28.50	22.25	.31	.34	-1.03	-37.37	.94	1.32 S	NC	99.0	.7	18.9	.00	.0	00-00-00	351.1	2.3	2.2	15.38	3.87	0383
Ketchum	KCH	21.00	17.63	17.63	-2.00	-10.19	21.00	10.09	1.14	-2.65	3.70	1.74	.89	.49 S	106.5	112.0	.4	18.6	.00	.0	09-26-83	211.4	.9	1.5	5.87	5.68	0483
Owens & Minor	OBOD	15.50	14.75	15.25	-.75	-4.69	19.25	12.75	-.25	-.13	3.76	33.09	.77	.18 N	16.3	5.0	.7	11.9	.32	2.1	12-09-83	211.4	1.5	2.8	10.55	9.76	1282
Spectro Indus	SPO	22.00	19.75	19.88	-1.00	-4.79	28.75	17.00	.20	-.09	1.25	-9.06	1.35	.31 N	25.0	48.0	1.6	12.8	.14	.7	12-29-83	339.1	5.4	1.7	2.86	7.24	0383
Manufacturer's transactions																											
Abbott Labs	ABT	46.63	43.50	43.63	-1.00	-2.24	53.38	36.13	-.14	-.29	.94	-.25	2.86	.49 F	20.6	28.0	11.9	15.3	1.00	2.3	01-09-84	2927.9	347.6	1.3	1.56	10.74	1282
Am Home Prod	AHP	52.13	50.50	51.38	.75	1.48	54.25	41.75	.07	.70	.36	20.99	4.00	.41 F	11.4	17.0	12.9	12.8	2.64	5.1	02-06-84	4856.5	627.2	2.7	.00	11.83	1282
Baxter Travenol	BAX	22.75	20.50	21.00	-1.38	-6.15	31.31	20.00	-.35	-.23	1.42	-1.40	1.22	.26 N	22.6	25.0	11.2	14.9	.28	1.3	11-18-83	1671.4	186.9	2.0	1.18	7.52	1282
Block Drugs Co	BLOCA	27.75	27.50	27.75	.25	.91	34.47	20.88	.26	.35	-2.20	-15.38	2.85	.40 S	15.3	14.0	9.7	9.2	1.00	3.6	11-25-83	219.0	21.3	2.5	2.35	17.84	0383
Bristol-Myers	BMY	45.63	43.38	43.75	-.63	-1.41	47.88	31.19	.12	.28	-1.07	-3.17	2.59	.35 N	13.7	18.0	9.7	15.1	1.20	2.7	12-30-83	3599.9	348.7	2.3	.84	12.68	1282
Carter-Wallace	CAR	25.75	22.75	24.00	1.25	5.49	29.00	18.00	.69	.05	5.75	-38.93	2.12	.50 S	28.4	38.0	5.7	10.6	.48	2.0	11-09-83	289.9	16.5	2.6	1.57	20.15	0383
Forest Labs	FRX	32.25	27.13	27.13	-4.63	-14.57	40.75	23.13	.39	-2.54	-4.63	-32.37	.48	-.08 S	-13.5	62.0	13.4	53.2	.00	.0	01-14-83	18.6	2.5	3.7	.37	3.03	0383
ICN Pharm	ICN	7.50	6.75	7.00	-.13	-1.75	15.25	6.63	-.12	.04	-3.29	-9.90	.42	-.11 N	-27.5	38.0	7.8	24.1	.00	.0	00-00-00	38.7	3.0	1.8	.65	3.81	1182
Key Pharm	KPH	20.00	17.38	17.38	-2.63	-13.13	25.94	13.59	.17	-1.36	-3.76	-13.01	.34	.15 N	51.7	80.0	14.9	39.5	.13	.7	11-04-83	82.3	12.3	1.6	.03	1.14	1282
Lilly Eli Co	LLY	62.75	60.25	62.13	1.75	2.90	68.38	56.75	.21	.40	-2.79	-14.13	5.42	.62 N	11.8	13.0	13.9	10.6	2.90	4.7	02-08-84	2962.7	411.8	1.9	.65	27.10	1282
Lee Pharm	LPH	2.63	2.25	2.63	.13	5.00	4.38	2.00	-.01	3.17	.23	42.26	-.49	.16 F	NE	-86.0	-14.3	NE	.00	.0	00-00-00	7.0	-1.0	1.9	.46	1.98	0982
Marion Labs	MKC	39.75	31.25	31.50	-7.50	-19.23	48.00	22.63	-.30	-2.78	1.70	-5.09	.78	.43 S	72.8	15.0	8.2	30.9	.40	1.3	12-14-83	181.2	14.8	2.5	.05	5.93	0683
Merck & Co	MRK	91.00	88.38	89.00	-.38	-.42	104.63	81.75	-.14	.53	-.78	-25.98	5.61	.51 N	9.2	9.0	13.6	14.8	3.00	3.4	11-29-83	3063.0	415.1	2.1	4.56	29.81	1282
Morton Thiokol	MTI	83.38	77.25	77.38	-4.63	-5.64	83.38	52.75	.16	-.22	-.60	14.99	5.15	1.09 S	23.1	17.0	5.2	13.3	1.76	2.3	11-23-83	1509.2	78.5	1.4	8.90	32.79	0683
Newport Ph	NWPH	7.13	6.00	6.13	-1.00	-14.04	11.38	5.88	-.11	-1.21	-4.08	-11.35	-.03	.00 S	NE	19.0	-3.4	NE	.00	.0	00-00-00	8.8	-.3	3.7	.24	1.12	0483
Pfizer Inc	PFE	38.13	35.13	35.63	-.38	-1.04	44.75	33.63	.04	-.74	.36	-13.14	2.73	.62 F	29.3	17.0	11.9	13.0	1.32	3.7	01-26-84	3750.0	447.1	2.0	3.37	12.82	1282
Reid Prov Labs	REID	3.50	3.25	3.25	-.25	-7.14	6.09	1.75	-.64	.28	-2.44	39.84	.10	.06 S	85.7	64.0	6.1	25.0	.05	1.5	12-09-83	11.4	.7	3.1	.03	.80	0683
Robins, AH	RAH	23.25	18.63	18.75	-4.13	-18.03	29.38	17.13	-.34	-3.42	4.12	32.55	1.98	.51 N	27.4	19.0	10.1	7.9	.68	3.6	02-03-84	482.3	48.7	4.0	1.50	13.29	1282
Rorer Group	ROR	30.75	28.25	28.25	-2.13	-7.00	34.25	22.88	-.09	-.63	-1.67	.87	1.82	.15 N	8.3	12.0	9.0	14.6	1.08	3.8	11-03-83	402.4	36.3	2.1	1.13	9.54	1282
Scherer RP Co	SCHC	17.63	15.50	15.63	-1.75	-10.07	29.63	15.50	-.34	-.20	2.25	-58.65	1.13	-.25 S	-23.5	4.0	5.2	19.3	.32	2.0	12-07-83	169.7	8.8	2.5	4.57	10.88	0383
Searle, GD	SRL	46.25	41.75	44.88	2.75	6.53	55.88	34.75	.08	.65	1.74	-18.87	2.77	-.13 N	-5.1	25.0	13.5	18.9	.52	1.2	10-31-83	1036.9	140.4	2.2	4.10	13.32	1282
Squibb Corp	SQB	48.38	44.38	45.75	2.38	5.35	55.63	38.25	.08	-.09	2.67	-31.11	3.01	1.69 N	111.9	2.0	9.2	14.6	1.44	3.1	11-14-83	1660.8	153.6	2.3	6.54	21.29	1282
Sterling Drug	STY	27.75	24.75	25.50	-2.13	-7.69	29.63	22.75	-.19	-.18	4.99	-17.44	2.17	-.01 N	-.4	9.0	7.3	11.7	1.12	4.4	11-09-83	1796.2	132.0	2.8	1.19	14.16	1282
Syntex Corp	SYN	50.25	46.50	47.25	-2.75	-5.50	62.50	46.50	-.52	-.78	3.66	14.93	4.30	.51 Q	12.9	40.0	17.2	10.6	1.40	3.0	11-03-83	870.2	149.3	2.2	3.37	18.11	0783
Thompson Med	TM	18.75	16.00	17.75	-.63	-3.40	26.00	12.50	-.30	-.60	4.68	-.07	1.16	.48 N	43.2	69.0	12.7	11.2	.40	2.3	12-23-83	91.0	11.6	4.5	.00	4.53	1182
Upjohn Co	UPJ	61.25	56.25	56.50	-4.50	-7.38	68.75	59.63	.05	-1.06	-.93	-9.42	4.18	.10 N	2.0	5.0	6.9	11.3	2.56	4.5	01-03-84	1828.7	126.0	2.0	15.26	32.19	1282
Warner-Lambrt	WLA	33.25	30.63	30.88	-.63	-1.98	35.00	26.38	.39	-.59	-1.21	-20.01	2.05	.09 N	4.1	-3.0	5.0	13.5	1.48	4.8	10-31-83	3246.0	163.2	2.1	8.51	17.28	1282

KEY: NA — Not Applicable NC — Not Calculable NE — Negative Earnings Q-First Quarter S-Six months N-Nine months F-Fiscal year

* — Other than a quarterly multiple resulting from a fiscal year change.

Data and Table Provided by Media General Financial Services, Inc., Richmond, VA

MERCHANDISER

Most chains stick to basics in toys

Electronic games, last year, accounted for nearly one-third of the total dollars spent on toys, but most chain drug stores downplayed that segment of the category and took a back-to-basics approach.

That will again be the strategy in 1984, but this year retailers say they will be broadening product lines that were exceptionally successful in 1983.

Among the lines that chains will be expanding are battery-powered toys that retail for less than $10 and toys for preschoolers.

Although these products as well as low-priced board games were the strength of chain drug toy departments last year, drug retailers that latched on to the Cabbage Patch phenomenon or hot, higher-priced board games such as Trivial Pursuit reaped big rewards.

Although overall toy sales show a big increase in sales of electronic games, drug chains are backing off because of the high inventory costs.

The volatility of the electronic game and home computer industry coupled with the large inventory investment required frightened many drug retailers away from this category.

Exceptions were chains such as Pay 'n Save, which merchandised these products in camera and electronics sections.

But the strategy of most drug retailers was similar to Rite Aid's. "In the drug stores, we don't go for trendy items. We go for lower-end merchandise," said a chain spokesman.

Still, low-priced staple toys have been strong enough for Rite Aid to double the size of its toy departments last year to approximately 50 running feet.

Perry's strategy in 1983 was similar to Rite Aid's. "We stayed away from electronic games, home computers and video games last year and probably will in 1984," said Perry seasonal buyer Lloyd Coe.

Perry didn't carry Cabbage Patch dolls, but imported a similar doll that sold well at $10. "We also had a doll that we sold well at $5. Anyone with a good soft doll could sell it," Coe said.

At the beginning of 1983, when toy buying decisions were made, Coe said it was difficult to gauge how strong the economy would be by Christmas. The strength of the buying season surprised him, and he is planning to be more aggressive this year. "We'll spread out more with preschool toys and battery-operated toys," he said.

Perry Drug imported more items in 1983 than in the past for its toy department and is likely to continue that trend through 1984. Importing is becoming popular with chain drug retailers because branded American-made toys have to be sold at lower margins to be competitive.

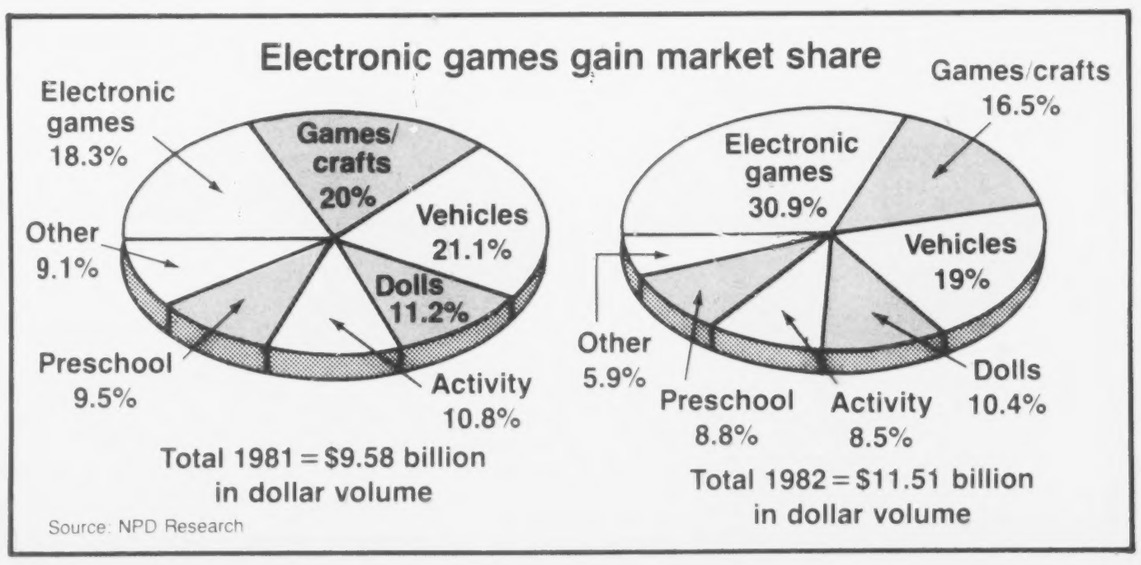
In addition, imported toys are more likely to be at lower price points. Toy buyers say they must continually remind themselves that they are selling toys in drug stores and not in discount stores or specialty toy retailers that can invest in larger toy inventories and have the space to carry more sku's.

Genovese also followed the strategy of selling basic low-priced toys, but also experimented with some higher-priced merchandise.

With a selling price of $24.99, Trivial Pursuit sold rapidly, and Genovese had a tough time keeping the popular

Continued on page 45

Drug chains are stressing a back to basics approach in toys. Board games and licensed products top the list of items buyers will eye for 1984.



Promos help reinforce resurgence in card sales

Drug chains have been able to up their playing card sales by offering multiple packs, couponing, trimming margins and revamping merchandising strategies.

At the same time, more consumers appear to be turning back to cards as a form of entertainment. In fact, 85 million Americans played one of many of the hundreds of card games within the last six months. The fact that sales and use are on the upswing is supported by the United States Playing Card Co., which stated that sales in 1983 rose about 15% over 1982.

Playing cards is still a favorite pastime for millions of Americans. Drug chains are wooing this customer with promotions, including 2-packs for the price of one.

Playing cards are an important item for drug chains because of a fairly high turnover rate of 4.5 to 5 times and a return-on-investment in the 60% and up range.

Because of this, many chains have developed techniques to boost sales to even higher levels in 1984.

Since many games including bridge and gin rummy require multiple decks, retailers are selling decks on 2-for-1 or 3-for-1 deals. Walgreens, for instance, recently advertised three packs of Stud playing cards for $2.29.

Begley Drug in Richmond, Ky., also capitalized on the impulse nature of the category by placing two combined decks on endcaps. "If we sell them regularly one pack for $1.39, we'll sell two decks for $1.99," said Orlando Segneri, sr. vp for Begley.

At Ribordy, executive vp Ausenbaugh has found that multiple decks sell "real well" when promoted via direct-mail coupon books. The chain normally sells a pack of cards at price points ranging from 98¢ to $1.39.

Still others have dipped into private label cards that can be packaged for 2-for-1 promotions. Eckerd, for instance, introduced private-label cards about a year ago. Rite Aid has private label cards produced in the United States and Kerr Drug in Raleigh, N.C., has an imported brand carrying the chain's logo.

"We buy them direct from the Orient, put them in our own package and sell them three for $1," explained Kerr's Bill Baxley.

Location of playing cards varies from chain to chain. Some prefer to snare impulse sales at checkouts—others prefer more in-line locations.

"It's an impulse item that we put on a pegged section near the checkstand," Ausenbaugh said. Chains such as Walgreens, Rite Aid and Pay 'n Save, how-

Continued on page 48